

# THE FINANCIAL SERVICES ROUNDTABLE



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**Steve Bartlett**  
President and Chief Executive Officer

March 16, 2004

The Honorable Bill First  
The United States Senate  
Washington, DC 20510

Dear Mr. Leader:

I am writing in support of S. 2193, legislation to maintain the Small Business Administration's (SBA) 7(a) loan program at levels appropriate to the lending portfolios and practices of many of our members. A viable 7(a) program is vital to small business and to economic growth.

The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Roundtable member companies provide fuel for America's economic engine accounting directly for \$17.1 trillion in managed assets, \$724 billion in revenue, and 2.0 million jobs.

As you know, a lack of funding has forced SBA to dramatically scale back the program and injected the program with a degree of uncertainty that makes it very difficult for lenders to participate fully. Yet, 7(a), when healthy, is a significant engine for job creation. It is in the best interest of lenders, entrepreneurs and the economy to reinvigorate 7(a).

S. 2193 accomplishes that goal by raising fees, which would create the funds necessary to get the program through the fiscal year. In addition, the maximum loan would be returned to \$2 million, from the current \$750,000 cap, and piggyback loans would be reinstated. Entrepreneurs and would-be small business owners would benefit from the increased access to capital. Lenders would benefit from an increase in the guarantee percentage and the knowledge that the program would continue uninterrupted for the remainder of the fiscal year.

In the absence of a solution, lenders will be forced to make alternative plans for the capital they may have set aside for small-business lending. Further, lenders may be forced to reduce the size of their overall SBA-lending program providing fewer experts to meet applicants' needs.

The need for a solution is bipartisan and bicameral. During a time when the economy is attempting a climb toward greater growth, it is imperative that we provide capital to small business owners.

Thank you for your leadership on this issue. If I can be of assistance on this or other matters, please do not hesitate to contact me.

Best regards,

A handwritten signature in blue ink, appearing to read "Steve Bartlett", with a horizontal line underneath.

Steve Bartlett